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SUBJECT

Inquiry re smuggling of opium across by
enemy nationals.

Names connected & involved:

Lazar, or Lazear, Rumanian

Gttinger, German, in the Customs

Diedrich, Austrian

Dorfman

N. G. B. Giza

May 24,

Sir Everard D.N. Fraser, A.C.M.C.,
H.B.M.'s Consul-General,
Shanghai.

My dear Sir Everard,

Confidential.

In reply to your letter of May 17 regarding the information brought by one Laz~~ar~~ or Lazoar, the following is the result of police enquiries into the matter:

Diedrich, who is Austrian, and his brother-in-law Dorfman engage extensively in opium smuggling, and are in the habit of employing women who have Russian passports to bring the drug from Russian territory by rail and boat to Shanghai.

This smuggling has been going on rather extensively for the past three years, and several members of the pimp fraternity have amassed considerable money in the trade. It is said that the majority of the Russian and Chinese customs officials employed on the frontiers are bribed by the smugglers, whom they allow to go and come freely. After the smugglers pass the Hu Li (胡里) their baggage is not again examined till they reach Shanghai. The Customs officer at this end of the line is a Russian citizen, who was formerly a French protected Turk. He does not seem to exert himself very much searching for contraband.

On March 3 a police report was forwarded to the effect that Diedrich was in the habit of making excursions to outports, probably for the purpose of

visiting agents in these places. The primary business of the gang, of which he is the leader, is smuggling. However, he and his associates are people who would stoop to anything for money. If during their trips to Russia or elsewhere they came into possession of information useful to the Central Powers, they would not scruple to pass it on. They would also be likely to undertake espionage, provided the risks were not great.

Diedrich is the proprietor of No's 11 and 12 North Szechuen Road, and it is likely that he keeps smuggled opium on the premises from time to time, though no proof of this has been found.

Owing to Diedrich's extensive organization, it is very difficult to bring smuggling home to him, but it should be an easy matter for the Customs Authorities to employ lady searchers, and put a stop to the activities of his female accomplices, whose persons and baggage should be examined en route as well as at Lan Chu Li and Shanghai. It is useless for the police to try to check opium smuggling while the present slackness exists in the Customs service.

Enquiries have failed to elicit any confirmation of the assertion that Schmidt is in league with the smugglers. In fact, during the last two years he has reported to Headquarters the activities of these people.

Yours sincerely,

ed K. J. H. S. H.

Captain-Superintendent of Police.

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Shanghai Municipal Police.

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CENTRAL POLICE Station.

23rd May, 1917.

REPORT ON Enemy Subjects and Opium Smuggling.

Made by D.S.Givens.

Forwarded by

Inspector

Sir,

Enquiries re attached go to show that ~~Diedrich~~, who is Austrian, and his brother-in-law Dorfman engage extensively in opium smuggling, and are in the habit of employing women who have Russian passports to bring the drug from Russian territory by rail and boat to Shanghai.

This smuggling has been going on rather extensively for the past three years, and several members of the pimp fraternity have amassed considerable money in the trade. It is said that the majority of the Russian and Chinese customs officials employed on the frontiers are bribed by the smugglers, whom they allow to go and come freely. After the smugglers pass Man Chu Li (滿洲里), their baggage is not again examined till they reach Shanghai. The Customs officer at this end of the line is a Russian citizen, who was formerly a French protected Turk. He does not seem to exert himself very much searching for contraband.

As mentioned in my report of 3rd March, Diedrich is in the habit of making excursions to outports, probably for the purpose of visiting agents in these places. The primary business of the gang of which he is the leader is smuggling. However he and his associates are people who would stop to anything for money. If during their trips to Russia or elsewhere they came into possession of information useful to the Central Powers, they would not scruple to pass it on. They would also be likely to undertake spying business, provided the risks were not great.

Shanghai Municipal Police.

C. I. D. REG
No. 970
Date July 17

(2)

Station.

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REPORT ON

Made by

Forwarded by

Diedrich is the proprietor of Nos. 11 & 12 North Szechuen Road, and it is likely that he ^{has} smuggled opium on the premises from time to time, though no proof of this has been found.

Owing to Diedrich's extensive organization, it would be very hard to bring the smuggling home to himself, but it should be an easy matter for the customs to employ lady searchers, and put a stop to the activities of his female accomplices, whose persons and baggage should be examined en route as well as at Man Chu Li and Shanghai. It is useless for the Police to try to check opium smuggling, while the present slackness exists in the Customs service.

Enquiries have failed to elicit any confirmation of the assertion that Schmidt is in league with the smugglers.

I am, Sir,

Your obedient servant,

J. H. Guineas

Detective Sergeant.

Chief Detective Inspector.

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H.M. Consulate-General,

CONFIDENTIAL.

Shanghai.

17th May 1917.

My dear McEuen,

A man named Lazar or Lazear calling himself a Rumanian called today to report that he heard a conversation in the Public Garden between Ettinger, a German in the Customs and another German, from which he gathered that a German named Diedrich and his brother-in-law Derfman (a pilot and former French protégé) are receiving large quantities of opium and revolvers at 11 - 12 North Szechuan Road. The opium etc. is believed to come

from

K. McEuen Esquire

Captain-Superintendent of Police

*C.P.S.
for enquiry -
K. McEuen
17/5- M*

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from Tsingtao and beyond, e. g. Manchuria, and it is brought down by women who have Russian papers but are in reality German spies. It would, I think, be well to investigate; but Lazar was anxious that Schmidt should not hear of it, as he alleges that Schmidt is in it.

The Legation are much interested in ~~the~~ Sun and his three associates and I should be glad to hear whether the watch you are keeping on their movements has produced any result.

Yours sincerely,

A handwritten signature in dark ink, appearing to be 'H. H. H.' or similar, written in a cursive style.

Shanghai Municipal Police.

No. 979
Date 3/3/17

CENTRAL POLICE Station.

3rd March, 1917.

REPORT ON Austrian Opium Smuggler.

Made by D.S. Givens.

Forwarded by Chief Detective Inspector.

Sir,

It is reported that an Austrian named Diedrich, who resides at No. 110 Chapoo Road, and who lives by opium smuggling, makes frequent excursions to outports and places in the interior. This man is about 40 years old, below medium height and of stout build. He has a dark brown moustache and dark brown hair, but is slightly bald. It is said that Diedrich is financed by Ezra, who ^{was} formerly ~~was~~ foreign secretary of the Bank of Territorial Development.

N.E.B.

I am, Sir,

Your obedient servant,

D.S. Givens

Detective Sergeant.

Chief Detective Inspector.

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